

### ESTIMATED COST OF 1% RATE INCREASE FISCAL YEAR 2009-10

SERVICE CATEGORY	ESTIMATE WITHOUT RATE INCREASE	ADJUSTMENT FACTOR (1)	FULL YEAR COST FOR EACH 1% RATE INCREASE		ASSUMING AUG. 2009 IMPLEMENTATION			
			TOTAL	STATE	11 MONTH ADJUSTMENT	PAYMENT LAG (2)	LAGGED COST FOR EACH 1% RATE INCREASE	
							TOTAL	STATE
PHYSICIANS	\$1,013,272,740	0.9660	\$9,788,210	\$4,828,050	0.9167	0.7815	\$7,011,960	\$3,458,660
OTHER MEDICAL	\$1,754,912,240	0.9760	\$17,127,940	\$8,441,780	0.9167	0.8213	\$12,894,790	\$6,355,400
COUNTY OUTPATIENT	\$122,994,160	0.9600	\$1,180,740	\$409,720	0.9167	0.7685	\$831,760	\$288,620
COMMUNITY OUTPATIENT	\$561,324,470	0.9100	\$5,108,050	\$2,427,610	0.9167	0.8133	\$3,808,210	\$1,809,860
PHARMACY	\$1,958,724,160	0.0793	\$1,554,050	\$774,740	0.9167	0.9320	\$1,327,670	\$661,880
COUNTY INPATIENT	\$703,797,460	1.0000	N/A	N/A	0.9167	0.6040	N/A	N/A
COMMUNITY INPATIENT	\$4,041,825,820	1.0000	N/A	N/A	0.9167	0.7383	N/A	N/A
NURSING FACILITIES	\$4,163,164,050	1.1578	\$48,200,700	\$24,172,980	0.9167	0.8662	\$38,271,900	\$19,193,620
ICF-DD	\$408,712,590	1.1578	\$4,732,030	\$2,362,540	0.9167	0.9119	\$3,955,380	\$1,974,780
MEDICAL TRANSPORTATION	\$147,881,220	0.9660	\$1,428,530	\$718,540	0.9167	0.8203	\$1,074,120	\$540,270
OTHER SERVICES	\$1,035,199,380	0.9540	\$9,875,800	\$4,424,420	0.9167	0.8270	\$7,486,570	\$3,354,030
HOME HEALTH	\$182,675,640	0.9800	\$1,790,220	\$886,350	0.9167	0.7962	\$1,306,660	\$646,940
DENTAL	\$435,342,770	0.9990	\$4,349,070	\$2,165,610	0.9167	1.0000	\$3,986,650	\$1,985,140
MENTAL HEALTH	\$1,342,574,000	1.0000	N/A	N/A	0.9167	1.0000	N/A	N/A
TWO PLAN MODEL	\$3,929,023,640	1.0000	\$39,290,240	\$19,744,180	0.9167	1.0000	\$36,016,050	\$18,098,830
COUNTY ORGANIZED HEALTH SYSTEMS	\$2,702,975,540	1.0000	\$27,029,760	\$13,540,690	0.9167	1.0000	\$24,777,280	\$12,412,300
GEOGRAPHIC MANAGED CARE	\$603,911,690	1.0000	\$6,039,120	\$3,024,700	0.9167	1.0000	\$5,535,860	\$2,772,640
PHP & OTHER MANAG. CARE	\$355,234,350	1.0000	\$3,552,340	\$1,781,810	0.9167	1.0000	\$3,256,310	\$1,633,330
AUDITS/ LAWSUITS	\$3,044,000	1.0000	N/A	N/A	0.9167	1.0000	N/A	N/A
EPSDT SCREENS	\$60,173,010	1.0000	\$601,730	\$298,390	0.9167	1.0000	\$551,590	\$273,520
MEDICARE PAYMENTS (4)	\$3,524,170,870	1.0000	N/A	N/A	0.9167	1.0000	N/A	N/A
STATE HOSP./DEVELOPMENTAL CNTRS.	\$304,742,000	0.9782	\$2,980,960	\$0	0.9167	1.0000	\$2,732,540	\$0
MISC. SERVICES	\$3,586,537,550	1.0000	\$35,865,380	-\$209,550	0.9167	1.0000	\$32,876,590	-\$192,080
RECOVERIES	-\$260,388,000	1.0000	N/A	N/A	0.9167	1.0000	N/A	N/A
<b>TOTAL</b>	<b>\$32,681,825,350</b>		<b>\$220,494,880</b>	<b>\$89,792,570 (3)</b>			<b>\$187,701,900</b>	<b>\$75,267,750</b>

(1) Reflects adjustment for services not affected by rate increases due to Medicare crossover and unlisted procedures.  
 Adjustment factor for Dental services due primarily to prior year reconciliations.  
 Adjustment factor for SNF & ICF services compensates for the impact of shares of cost on average payments.  
 Adjustment factor for Pharmacy includes an adjustment for the dispensing fee only.

(2) Reflects adjustment for the lag between actual rendering of service and payment for that service.

(3) Excludes service categories noted above with N/A and all policy changes excluded from Cost/Eligible report.

(4) Medicare Payments cost increase included as base adjustment.